

'GST will be implemented fairly'

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The Goods and Services Tax (GST) has been implemented fairly and justly to the people in certain countries as compared with income tax, a deputy minister told the Dewan Negara today.

Deputy Minister of Finance Chor Chee Heung said consumer-based tax like the GST was charged on the people only when goods were bought and services provided.

"When we buy, only then there is tax, if there is no purchase, there's no tax," he said when replying to points raised during the debate on the motion of thanks for the royal address by the Yang di-Pertuan Agong Tuanku Mizan Zainal Abidin.

When the GST is implemented later, Chor said the government would ensure the tax would not be exorbitant but only around four per cent and the current service tax would be abolished.

The long-term objective of the GST was to reduce income tax collected from the people besides increasing government revenue, he said.

"This is a significant change. When individuals or companies pay income tax every year, the amount will be less when the GST is implemented," he said.

Chor said the government was conducting various form of studies and was developing a GST computerised system to ensure transparency and efficient GST implementation in the long term.

"Nearly 90 per cent of the countries in the world have implemented the GST. We have adopted the model practised in Singapore, Australia and Canada to make comparison.

"The government also gathered feedback from certain parties but it is still inadequate.

"We need some time to gather more feedback from the people to ensure the GST is implemented smoothly," he added.

The Dewan Negara will sit again on Monday.

- Bernama

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